

3 December 1982

MEMORANDUM FOR: The Honorable William P. Clark
Assistant to the President for National
Security Affairs

SUBJECT: Annual Assessment of the Hostile Intelligence Threat
to the United States [redacted]

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1. National Security Decision Directive No. 2 (NSDD-2) requires the Senior Interagency Group-Intelligence (SIG-I), inter alia, to submit to the NSC an overall annual assessment of the relative threat to United States interests from intelligence and security services of foreign powers . . . , including an assessment of the effectiveness of the United States counterintelligence activities. The most recent Assessment was submitted in accordance with this requirement on 18 March 1982. [redacted]

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2. Subsequent to submission of the Assessment in March 1982, the Community Counterintelligence Staff undertook preparation of a study, "Capabilities Against the Hostile Intelligence Threat 1983-1988," in response to requirements of National Security Study Directive No. 2 (NSSD-2). This NSSD-2 response, which included an updated summary of the threat, was submitted to the President on 15 July 1982. [redacted]

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3. Since submission and approval of the study, "Capabilities Against the Hostile Intelligence Threat 1983-1988," the Community Counterintelligence Staff has been engaged in major efforts toward implementation of the numerous and wide-ranging recommendations contained in the study. These actions have included organizing and staffing new Interagency Groups for Counterintelligence and for Countermeasures under the SIG-I in compliance with SIG-I Directive No. 1. I anticipate that continued success in these efforts and progress toward resolution of the many issues now under review will require the full-time attention of the Community Counterintelligence Staff for at least the next six to eight months. [redacted]

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4. In order to continue the current effort on the implementation actions described above, I request your agreement to defer the NSSD-2 requirement for submission of an annual assessment normally due early in 1983. Instead, we would schedule the next hostile threat assessment to be developed during the

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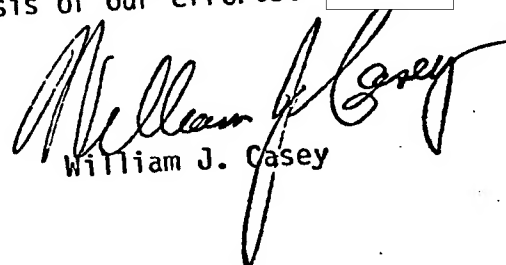
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second half of 1983 for submission to the NSC by late 1983. I request your
concurrence in this schedule and the current emphasis of our efforts.

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William J. Casey